GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
MILITARY INTELLIGENCE SECTION, GENERAL STAFF

757

SPOT INTELLIGENCE

SHEET: 1980
DATE: 29 Dec 48

SUBJECT: Current Developments in the China Political Situation.

TO : Chief of Staff

1. Essential Elements of Information:

a. Refer to ATOMIC Meeting replies, Hq. 280320 Z (AG NO 23692) and No. 120418 (AG NO 23693), dated 29 December 1948.

b. Generalissimo CHIANG Kai-shek has sent emissaries to LI Tsung-jen, Vice-President of the Nationalist Government, to work out procedures for turning over Government to LI. A more detailed report is being sent by the Joint Attaches.

c. Upon becoming head of the Nationalist Government, LI plans to: (1) issue cease fire order to military forces; (2) reorganize government; (3) enter into peace negotiations; and (4) move capital to Peiping.

2. G-2 Comment:

a. The Communists have refused to negotiate while CHIANG was in Government. This is first positive proof negotiations have been in progress. Although Communists have stated they will not have a coalition government, most observers, foreign as well as Chinese, believe that such a government will be formed in order that the Communists may maintain the status quo of recognition by the foreign powers of any new government set up in China.

b. The Communists have also stated that the majority of the key members of the Kuomingtang Party must be removed from the government. This does not apply to LI as he has always opposed the Generalissimo and has often been reported to be negotiating with Leftist elements (Intell Summary No. 2161, dated 20 July 48 - Tab 1). A short biography of LI (Intell Summary No. 2262, dated 17 Nov 48) is attached as Tab 2.

c. The proposed movement of the capital to Peiping would tend to confirm reports of political maneuvering by FU Tso-yi, Nationalist Commander in North China, both with the Communists and with LI.

3. Action:

a. Following agencies notified: ATC, G-3, JCPOA and Diplomatic.

2 Incls: (Attached to ATC and Chief of Staffs Copies only)
1- Pertinent Background Information (Tab-1)
2- A Brief Biography of LI Tsung-jen (Tab-2)

G. A. D.

Diplomatic

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